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**South Korea:
The Dynamics of the
Chun Regime**

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An Intelligence Assessment

State Dept. review completed

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South Korea: The Dynamics of the Chun Regime

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An Intelligence Assessment

This paper was prepared by [] the
Office of East Asian Analysis. It was coordinated with
the National Intelligence Council. Comments and
queries are welcome and may be addressed to the
Chief, Northeast Asia Division, OEA, []

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**South Korea:
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Key Judgments

Chun Doo Hwan approaches the beginning of his third year in office with the political framework of his predecessor, Park Chung Hee, still much in evidence. His well-publicized "New Era" in South Korean politics represents at most a fine tuning of the political control apparatus Park set in place.

Chun's presidency, however, is more authoritarian and his style more imperial than Park's. In consolidating control, he has distanced himself from his initial full reliance on the Army while still retaining his hold on this key element in the South Korean political equation. His reluctance to delegate power beyond his immediate staff of former military associates, however, has delayed development of a civilian powerbase.

Chun is inflexible toward his political opponents. He views conciliation as a sign of weakness and has paid little more than lipservice to the idea of easing political controls. Chun views all but the mildest criticism of his leadership as a direct assault on national security, and the government-dissident relationship is as polarized as it was under Park.

Chun seeks to be regarded as a truly popular leader but has been unable to develop a political program that will inspire enthusiasm about his leadership. Against the backdrop of a lackluster economy, difficulties this spring, including a major financial scandal involving his wife's family, have further undermined his effort to become a leader who derives legitimacy from widespread, positive public support.

Public dissatisfaction with Chun is not serious enough to pose an immediate threat, but dissatisfaction could develop into a serious problem if Chun is unable to overcome the growing public perception that he is incompetent. We believe the Christian community is shaping into the element that will present the regime with its most serious challenge in coming months. The key to Chun's remaining in power until his term expires in 1988 is the Army, which we believe would only move against him if his rule provoked

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has been used in the preparation of this report.*

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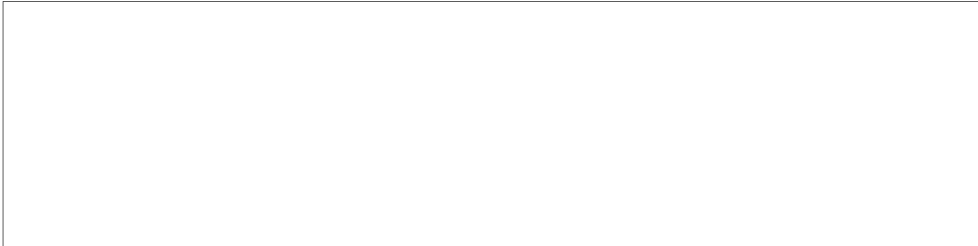
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massive opposition that threatened the country's security. In such an event, the Army would install in the Blue House another of its own, who would be committed to stability, security, and the defense relationship with the United States.



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Chun Doo Hwan modeled his transformation from Army general to civilian president on that of his predecessor, Park Chung Hee. An intelligent, ambitious, and deeply conservative man, Chun co-opted Park's political control apparatus so that it is loyal to him. Despite the regime's claims, we find little in Chun's "New Era" that sets it apart from the old.

Chun has nonetheless given some of his own flavor to the political process. His actions show that his interpretation of the presidency is more authoritarian than Park's—even imperial. But more than his predecessor, Chun promotes crowd-pleasing measures to try to fill his need to be seen as a genuinely popular leader. Chun, however, has been unable to develop a political philosophy, and he lacks the aura of legitimacy that Park had acquired after 18 years of stability and economic development.

A series of political setbacks this spring presented Chun with the greatest challenges to his presidency so far. We believe he has weathered these difficulties, including a particularly damaging financial scandal involving his wife's family, although at some cost to public perceptions of his ability to govern effectively.

Wellspring of Power: The Army

Chun holds power because he controls the Army. He has kept a firm grip on this service—even as he has lessened his immediate dependency on it—by:

- Removing potential opponents from powerful positions and bringing the more respected and trusted of these into his civilian government.
- Rotating only proven loyalists into key command and staff positions.
- Introducing morale-boosting measures, such as regular promotions and reassignments, that have helped inhibit growth of a significant opposition.



Chun Doo Hwan

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Chun has carefully distanced himself from the core group of generals who helped him rise to power in December 1979. These core group members appear to have access to the President

Minister of Home Affairs Ro Tae Woo and Chairman of the Korea Mining Promotion Corporation Kim Bok Dong are currently the only core group members in Chun's government. He has tapped other former Army colleagues to fill openings in the Cabinet, bureaucracy, and ruling party, as much, we believe, to have trusted faces in important positions as to firm up his Army support by taking care of retired officers.

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On balance, however, we believe dissatisfaction is held in check by the Army's powerful commitment to political stability, and it appears neither widespread nor serious enough to threaten Chun. Because Army support for his security-related policies is broad, we believe the service would probably withdraw its support from Chun only if his rule precipitated serious social instability. Chun's record so far has not met with much public enthusiasm, but neither has it provoked the kind of massive opposition that the Army would view as destabilizing. In such an event, we would expect the service would replace Chun with another Army officer, who would retain the service's support as long as he pursued policies ensuring stability and a continuation of the defense relationship with the United States. [REDACTED]

Key Influences

Blue House Advisers. All indications are that Chun has delegated broad authority to a relatively inexperienced trio of former intelligence officers on his presidential staff: Her Hwa Pyung, Hur Sam Soo, and Lee Hak Bong. They provide Chun with direct links to his military past. Like Chun, they are graduates of the elite Korean Military Academy (KMA). As colonels they served with him in the Defense Security Command—from which Chun emerged as strongman in December 1979—and then moved with him to the Blue House. Her's emergence as first among equals was confirmed by his promotion to primary political adviser in January 1982. The President's obvious trust in the threesome, their physical proximity, and their control over the papers and people he sees give them more influence than any other elements in the regime. [REDACTED]

Chun's tendency to isolate himself was evident in his performance in the wake of the serious financial scandal last May. That affair involved a former high-ranking security official and his wife—a relative of Mrs. Chun's—who succeeded in acquiring unsecured bank loans, which they then loaned to cash-short companies at exorbitant interest rates. Investigation of the couple's dealings disclosed widespread influence-peddling, bribery, and other illegal activities by major bank presidents, business leaders, government officials, and members of the ruling party. Chun's

slowness in grasping the political implications of the affair led to costly delay in redressing the damage to his image and that of his government. [REDACTED]

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That Chun is aware of the growing role of his Blue House staff is reflected in US Embassy reports that earlier this year he ordered his advisers to assume a lower profile, but there have been few indications that they have done so. [REDACTED]

Yoo's tenure the agency seemed to regain some of its former influence, particularly on internal security matters and the North Korean problem. [REDACTED]

Chun's service in the Blue House with the Presidential Security Force during 1976-77 undoubtedly exposed him to the way the presidential staff was able to isolate and manipulate his predecessor. He is too clever to ignore the dangers of permitting Her to become ever more powerful. We believe, however, that Chun's options at this point are limited. Other elements of his powerbase are not strong enough to balance his immediate staff. If Chun is to develop these elements in his government—the intelligence and security services, the Cabinet, and the ruling party—it will be against the inclinations of his powerful aides who seem intent on keeping those institutions weak and ineffective. [REDACTED]

The Intelligence and Security Services. Chun inherited Park's intelligence organizations, but so far we have not seen that he has been able to provide clear direction on what their respective roles should be. In part this may reflect the balancing act that any Korean leader has had to engage in with his security services. The most important agencies—the NSP, the Defense Security Command, and, to a lesser extent, the Korea National Police (KNP)—have suffered from poor leadership and institutional rivalries that have hindered their effectiveness. [REDACTED]

Chun played an important role in developing today's NSP. As Director of the Korean Central Intelligence Agency during April-June 1980, Chun personally orchestrated a massive reorganization and purge of this most powerful security agency, discredited after its director assassinated President Park in October 1979. Chun entrusted the reorganized KCIA, renamed the Agency for National Security Planning in January 1981, to an old crony, core group member Yoo Hak-seong. According to the US Embassy, during

Chun has entrusted the Ministry of Home Affairs, which includes responsibility for the police, to another member of his core group, retired Gen. Ro Tae Woo. Public perceptions of police incompetence were reflected in the press after a policeman ran amok and killed some 50 people in a rural area last April. Lack of a prompt response by the authorities—the rampage went unchecked for eight hours—was a particularly disturbing and embarrassing example of official incompetence. A respected and capable commander, Ro is widely regarded in South Korea as a possible successor to Chun. The President's relationship with Ro is complex. Chun has not acknowledged Ro—or anyone else—as his successor, but by appointing him to the Home Affairs portfolio, he has given Ro the

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opportunity to familiarize himself with domestic issues. As both men well know, however, the position is a vulnerable one. In a country where dissident demonstrations periodically overcome the best efforts of the security forces to control them, senior security officials are traditionally cashiered as a consequence. [redacted]

The Cabinet. So far Chun has used his Cabinet less as a forum for policy initiatives than as a convenient whipping boy when events have turned against his government. The President installed a new economic team in January 1982 to boost flagging business confidence in his economic policies. His response to public pressure for decisive action in the wake of last May's financial scandal was to dismiss 11 ministers, only one of whom had even a remote connection to the scandal. This failed to satisfy the public, and pressure mounted for more changes. Chun finally dismissed his Prime Minister and his Finance and Justice Ministers in late June. [redacted]

Chun's subsequent appointment of Kim Sang Hyup, a highly respected educator, as Prime Minister will not, we believe, lead to the Cabinet's having a stronger voice in Chun's decisionmaking. Kim may be in a better position, however, to exert influence on Chun than the previous prime minister. [redacted]

[redacted] Kim does not strike us as the kind of political infighter who could carve out a more forceful role for the Cabinet in government deliberations. [redacted]

Ruling Party. The Democratic Justice Party, led by another associate from Chun's military past, is the President's answer to former President Park's own Democratic Republican Party. Hastily organized in January 1981, the DJP gained a comfortable majority in the 276-seat National Assembly inaugurated the following April. Chun has said his grand concept is that the party will eventually serve as a counterweight to North Korea's mass political party. To this end the DJP has orchestrated a massive drive for membership, training, and funding. [redacted]

In the meantime, Chun has used the DJP much as Park used his ruling party: to control National Assembly deliberations to the government's advantage. Beyond that, we do not believe the DJP has emerged as a significant influence on government decision-making. It has shown the first signs of developing into an independent voice in government deliberations by forwarding its own readings on the popularity of selected administration policies. This remains an uneven process, however. The DJP has voiced public dissatisfaction with a number of the regime's educational and economic policies, but it has also avoided being in the forefront on a number of other particularly contentious issues, including antigovernment activities and the financial scandal last May. [redacted]

In fact, the party's credibility has been seriously weakened by Secretary General Kwon Jong Dal's involvement on the fringes of that scandal. [redacted]

[redacted] Chun accepted political realities by dismissing him and three others from the party leadership. Chun selected another former military colleague from the party's legislative ranks, Kwon Il Hyun, to lead the DJP out of this particularly damaging incident, but the party obviously faces an uphill struggle to gain credibility. [redacted]

Dealing With Critics

We believe Chun's military background and his Confucian values make it difficult for him to tolerate political diversity. Chun seems capable of tolerating only the mildest criticism, believing that to do otherwise is to betray weakness to his opponents. In the zero-sum game of Korean politics, such flexibility is indeed construed as a sign of weakness; a "just" ruler is beyond criticism in Korean culture. To the extent that he is criticized, except perhaps in the most obliquely constructive manner, such a ruler lacks moral authority. [redacted]

As a result, Chun and his advisers have paid little more than lipservice to the goal of relaxing political controls. Even if they were so inclined, we believe they

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have no concept of how to allow the regime's critics greater scope without opening themselves up to further demands, thus leading—in the regime's view—to political instability. []

One-Sided "Dialogue." Chun's actions show that he regards democratic party politics as wasteful and counterproductive. Once in power, he banned most of the politicians of the Park era, disbanded their parties, and promoted the formation of new parties. The National Assembly that was inaugurated in April 1981 was very different from its predecessors; over 80 percent of the assemblymen were freshmen, "untainted" by the unruly partisanship of the Park years. After calling on the new Assembly to eschew confrontation in favor of "harmonious politics through dialogue," Chun left the mechanics of this policy to his ruling party and assiduously cultivated the image of a statesman above the fray. []

The DJP's majority in the legislature made opposition politics largely irrelevant during the Assembly session last year. This spring, however, to Chun's discomfort, the opposition parties pressured the ruling party into holding special Assembly sessions to probe the massacre by the deranged policeman and the financial scandal. The ensuing sessions provided a limited forum for the opposition to criticize the government. One opposition leader, sensing further government vulnerability on the scandal, successfully pressed Chun to engage in the only credible dialogue the regime has had with the opposition so far: a well-publicized meeting between Chun and party leaders in mid-June to discuss government measures to restore public confidence. The opposition used this meeting to call for Cabinet changes as well as a number of concessions not on Chun's agenda, including removing the ban on politicians and lifting restrictions on the press. []

Chun undertook most of the Cabinet changes, which the US Embassy reports he had planned on doing anyway, but reserved judgment on the other issues. We do not believe that the experience has made Chun more flexible toward the opposition. He yielded to public pressure for dialogue with the opposition in this instance, and he will be on guard lest future missteps

invite other opportunities for the opposition parties to make demands on him. We doubt that the opposition will be able to sustain its newfound assertiveness until fall when the regular assembly session opens []

Coping With Dissent. Chun inherited Park's dissident problem when he came to power—the intellectual, student, labor, and Christian elements that have long demanded a measure of political liberalization in South Korea. In the process of consolidating control, he added purged politicians, media figures, and Seoul bureaucrats to the country's dissident mixture. Anti-Chun sentiment also lingers in the southwestern provinces of North and South Cholla, where he is remembered for his bloody suppression of the insurrection in the South Cholla capital of Kwangju in May 1980. []

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So far, we have seen few signs that Chun and his advisers are moving away from the regime's hard line on political activity. Those who continue their steadfast opposition to Chun have paid a high price. The regime moved swiftly this spring to silence banned opposition leader Kim Yong Sam after he predicted Chun's demise before the end of the year. Kim is now under indefinite house arrest. Outspoken opposition legislator Han Yong Su, who made a highly critical speech to the National Assembly on 7 May, was recently arrested on charges of adultery. Dissidents have not taken to the streets this spring, despite initial reports that they might capitalize on Chun's difficulties. The government continues to cow most disaffected groups from active dissent. As a result, there are fewer student demonstrations and labor actions today than there were even a year ago. []

Those isolated incidents that have occurred, however, have a more violent, and sometimes anti-US, tone as frustrated dissidents have begun targeting the US Government for the strong support they perceive it has given Chun. It was the regime's handling of one such incident—the firebombing of the American Cultural Center in Pusan by Christian students in March 1982—that provoked the first serious backlash against Chun by the influential Christian community. The regime portrayed the incident as an attack on

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national security and indicted Choe Ki-sik, a Catholic priest, for violating the national security law by harboring some of the arson suspects. We believe this, plus the government's media campaign against Christians, emboldened even some politically moderate leaders of this influential minority to be sharply critical of the regime. Allegations of torture also have surfaced in this case. In effect, Chun's government handed the Christians a new, and far more potent, issue around which to rally than they have had in a long time. As a result, we believe the Christian community is shaping into the element that will present the Chun regime with its most serious dissident challenge in coming months [redacted]

Cultivating Legitimacy

Chun's actions show that he wants to overcome widespread Korean perceptions of him as an opportunist who seized political power at a time of national uncertainty. The majority of the South Korean public accepts him, but without any real enthusiasm. We believe that implicit in their acceptance is the same trade-off they made under Park, a preference for security and economic well-being over political liberties. Chun has sought to cultivate more positive popular support of his leadership by crowd-pleasing politics—making education more egalitarian, trimming the bureaucracy, liberalizing foreign travel, and lifting the curfew that has been in force since the end of World War II. These measures have won him some grudging public praise, but his overall political record is a modest one that has not garnered much public support. We do not see that he and his advisers have been able to develop a sense of direction for themselves or the country. Chun's sloganeering about a "New Era" and a "democratic welfare society" has not developed into an ideological guide. The closest he has come to this has been in his ethical campaigns, particularly his personal crusade against corruption. [redacted]

Indeed, alongside suppressing dissent, anticorruption has become Chun's hallmark. Chun has waged his struggle against corruption far more zealously than his predecessors. His commitment arises in part from what we see as a reasonably genuine desire to purge Korean society of this longstanding abuse. The anticorruption crusade also gave him considerable leeway to remove large numbers of corrupt—and disloyal—

officials, particularly as he was consolidating control during 1980. His moves against some of the more egregiously corrupt politicians of the Park era enhanced his image as a leader committed to effective government. By and large, Chun's anticorruption efforts have been popular. [redacted]

The small sense of direction this campaign had given the regime was severely shaken, however, when the massive financial scandal surfaced last May. The scandal hit Chun in a particularly vulnerable spot and at a difficult time. He was seen by the public as cracking down on smalltime abuses while countenancing massive corruption among his relatives, as well as among high-level government and business figures. It was the last in a series of setbacks the regime suffered during a trying spring. [redacted]

Packaging the President. Chun has tried to counter his lackluster political record by projecting a presidential image in the media. The coverage of Chun's activities in the government-controlled South Korean press is extensive. Front page photographs portray him in leadership roles: mixing with people, directing his Cabinet, and meeting with the parade of foreign dignitaries who visit Seoul. [redacted]

In fact, we believe an important part of Chun's image-building has been his use of foreign policy to legitimize his position in the eyes of the Korean public. And there is no doubt he has done well in this area. [redacted]

Chun has demonstrated that he has a grander concept of South Korea's role in the world than did his predecessors. His manipulation of the sensitive reunification issue has earned him domestic political benefits without any great risk. His three major proposals to North Korea, including his offer to meet with President Kim Il-song, have given him an image of leadership and flexibility. [redacted]

Chun's meeting with President Reagan in February 1981, as one of the new administration's first official visitors to Washington, irritated his political opponents but also enhanced his domestic image as a

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statesman. Last year he also received a boost from the national euphoria that greeted the designation of Seoul as the site for the 1988 summer Olympics and the 1986 Asian Games. []

Chun's attempt to redefine South Korea's relationship with Japan—his unprecedented request for \$6 billion in official aid—has not borne fruit. The regime, however, has carefully directed the media to blame the protracted aid negotiations on Japanese "inflexibility" and not on any miscalculations by the government. []

Chun also strengthened his domestic image as a leader in a swing through Southeast Asia in June 1981 in which he was pictured with a number of leaders long associated with the Asian political landscape. His surprise initiative to Australian Prime Minister Fraser in June 1982 that Pacific Basin leaders meet annually was a calculated use of foreign policy as a domestic tool; his image badly needed shoring up after a sorry record of government setbacks. []

The Economic Record. Chun recognizes, we believe, that economic performance will have an important bearing on his developing the positive public support that generates legitimacy. He moved into the Blue House with little understanding of economics to face a difficult economic situation, and his early moves did little to develop business confidence. In the summer of 1980, Chun's military advisers promoted far-reaching measures to reorganize Korea's industrial base. The ensuing hasty and forced business consolidations, together with the regime's initial hostility to business practices that did not square with the new regime's attitudes on corruption, led to business uncertainty and distrust. []

Chun appeared to acknowledge his own lack of economic expertise when he appointed a respected technocrat, Kim Jae Ik, as economic adviser in September 1980. Kim became Chun's economic tutor, and his

frequent briefings exposed Chun to Kim's liberalizing, free market philosophy. Military intervention in economic decisionmaking ceased and business confidence stabilized. []

Chun adopted Kim's tough austerity program and has been successful in slowing the country's serious inflation. This summer the government moved to encourage business investment and consumer spending by crafting a stimulus package. Seoul has kept the impact of the financial scandal on the economy to a minimum, but we estimate that weak international demand will limit growth to only about 5 percent this year—a record the South Korean public will contrast unfavorably with the high growth rates of the Park era. []

Long-term economic health will also depend on the government's ability to attract needed foreign technology and management skills. Chun himself as well as many technocrats is on record as favoring more foreign investment, but this has not been reflected in the day-to-day decisionmaking by the Ministry of Commerce and Industry and many lower level economic bureaucrats. The US Embassy reports that South Korea's image with foreign investors has been hurt as a result. Chun reorganized the economic ministries late last year, assigning greater authority to the Ministry of Finance. The Ministry strongly advocates foreign investment but so far has not gained much support throughout the bureaucracy for its position. []

Meeting public expectations on the economy will remain especially difficult for Chun. The public will continue to compare his economic performance against Park's towering achievements. Public and press criticism of economic conditions has increased since late last year, despite the economy's relatively good showing by international standards. We believe Chun's lackluster domestic record makes visible economic achievements even more important to his government than they would be otherwise. []

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